


Annual Report 1969



**THE MONTREAL
CITY AND DISTRICT
SAVINGS BANK**



Digitized by the Internet Archive
in 2023 with funding from
University of Alberta Library

https://archive.org/details/Mont0386_1969

123rd ANNUAL REPORT FOR THE FINANCIAL PERIOD ENDED OCTOBER 31, 1969

HIGHLIGHTS

Total Assets	\$538,686,518
Savings Deposits	\$504,644,437
Mortgage Loans	\$270,238,017
Net Profits	\$ 2,191,306
Dividends	\$ 1,200,000
Capital:	
Authorized — 3,000,000 shares of a par value of \$1.00 each: \$3,000,000 Paid up — 2,000,000 shares issued and fully paid	\$ 2,000,000
Rest Account	\$ 17,500,000

TABLE OF CONTENTS

THE MONTREAL CITY AND DISTRICT SAVINGS BANK	
Highlights	1
Board of Directors	3
Executive Officers of the Bank	3
Chairman's Message	4
Address of the President	6
Remarks of the General Manager	8
Statement of Assets and Liabilities	12
Statement of Revenue, Expenses and Undivided Profits	14
Statement of Accumulated Appropriations for Losses	15
Proceedings of the Meeting	16
Departments and Branches	18
MONTREAL CITY AND DISTRICT TRUSTEES LIMITED	
Board of Directors	20
Statement of Income and Expenses and Undivided Profits	21
Balance Sheet	22
Executive Officers and Departments	24



From left to right, Messrs. Marc Jarry, Jean C. Lallemant, Guy Vanier, Q.C., Hon. Léon-M. Gouin, Q.C., Mr. E. Donald Gray-Donald.

BOARD OF DIRECTORS

EXECUTIVE OFFICERS OF THE BANK

*Guy Vanier, Q.C.
Chairman of the Board

*E. Donald Gray-Donald
*President of the Bank
and Chairman of the Executive Committee*

*Hon. L.-M. Gouin, Q.C.
Vice-President

Jean C. Lallemand
Desmond A. Clarke

*Mostyn Lewis

*Marc Jarry
C. L. Ogden Glass
John G. Bourne
Robert R. McLernon

*Member of Executive Committee

E. Donald Gray-Donald
*President of the Bank
and Chairman of the Executive Committee*

François Xavier Guérard
General Manager

Adrien Audet
Deputy General Manager

Austin Kennedy
*Assistant General Manager
and Secretary*

Arthur Leboeuf
Superintendent

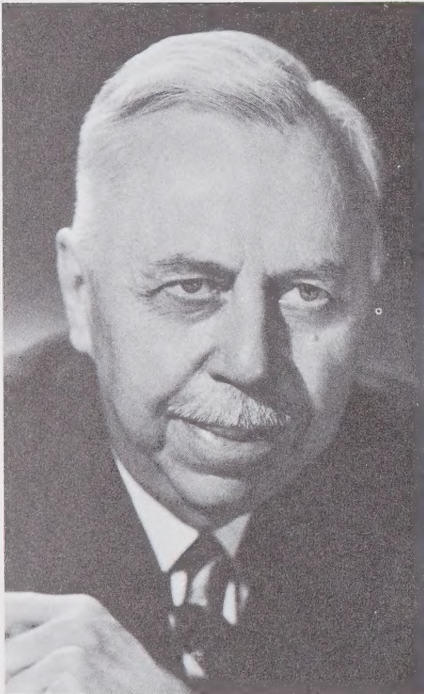
Charles E. Fortier
Comptroller

Gilles Charpentier
*Assistant Superintendent
and Chief of Personnel*

Lionel Collin
Chief Accountant

Roland Brien
Chief Inspector

CHAIRMAN'S MESSAGE



GUY VANIER, Q.C.

On the occasion of this 123rd annual meeting, I deem it advisable to dwell a short while on present problems arising from the environment in which banking institutions must operate and to seek the best way of promoting the common good.

It seems that the chief characteristics of our epoch may be summed up as follows: an annoying escalation of prices, exceedingly high interest rates, a justifiable fear of unemployment, an insatiable thirst for pleasure, the contestation of authority in all areas, an obvious breakdown of morals, a scandalous repudiation of moral values, a dangerous recourse to violence.

Personally, I am convinced that all these problems are closely interrelated, that each one represents a particular aspect of the same collective moral degeneration and that it is possible to resolve each of them by stressing certain basic truths which are no longer clear to the minds of those whose very task it is to enlighten public opinion.

To check inflation, one must first be reminded that work is the normal source of wealth. Inflation is in fact, a disorder due to the imbalance between productivity and consumption. If demand exceeds supply, prices are bound to increase. Whatever his trade, social rank, religion or language, the man who is in the habit of working more and better than his neighbours possesses the key to every promotion possible, for no employer or head of a department is stupid enough to willingly surround himself with collaborators who will prove embarrassing instead of providing the help he requires.

To the habit of working must be added, of course honesty and thrift, because it is the difference between production and consumption which produces new capital. Regular savings, thanks to the return on their investment, lead to affluence, security and true independence of mind. You are no doubt aware that, owing to compound interest, capital doubles within a number of years inversely proportional to the rate of simple interest: at 6% capital doubles within twelve years because the amount over 72% is produced by the interest accrued on the interest; consequently, at 4% capital is doubled in eighteen years; at 8%, a rate much below existing rates, capital doubles in nine years. At this last rate, a young

man who would have saved \$5,000.00 by the age of twenty-five would possess \$10,000.00 by the time he was thirty-four, and \$160,000.00 by the age of seventy, even if, all taxes being paid, he had spent all his gains during the forty-five years of his life extending from the age of twenty-five to seventy. This is no pipedream, for any reliable trust company will prove to you that, owing to the increased value of sound investments, this objective is regularly achieved on a long-term basis. Would it not be desirable and wise for a greater number of young people to enjoy life by adhering to this marvellous technique?

Credit is another very important means of control which is used improperly only too often. It is an invention that can produce wonders, but it is also a double-edged sword. In the past, banks collected a fee for safeguarding savings because the advantages to be drawn from credit were little known and the opportunities of making savings pay dividends were rare. Through the use of credit today, banks have increased greatly the mobility of capital. Under their personal guarantee they render savings productive by making them available to governments and private enterprise. This technique has worked wonders because it stimulates thrift, helps the growth of the country, enables industry to develop, and constantly creates new jobs. Natural resources are developed; goods required for the comfort of citizens are produced on the spot at a more reasonable cost; the exportation of surpluses makes currency available for the purchase of foreign commodities and goods which the national economy is unable to produce; moreover, the state derives from industrial activity certain taxes which lessen the tax burden of low-wage earners.

Thanks to credit, governments, at all levels, may more easily contribute to the rapid growth of the economy by a works programme and all sorts of social services; this presents no problem at all provided governments keep their expenditures within the limits of their budgets and thereby avoid exerting any undue pressure on interest rates through the floating of large loans. On the other hand, the industrialist and the merchant recover through the price of their products the means of reimbursing their loans, and derive thereby an amount which is the just reward for their spirit of enterprise. To borrow in order to produce becomes a benefit for the national community, but such is not the case when one bor-

rows without limit for the purpose of sterile consumption.

Thrift leads to relaxation, order and affluence, whereas chronic debts are usually accompanied by worries, bitterness and, often, the temptation to become dishonest.

These brief comments should suffice to establish that there is a close relationship between moral values and social order. Wherever there is a lack of interest in work, the sense of responsibility has already fallen to its lowest ebb. Wherever there is a lack of foresight, there is a ferment of unrest, misunderstanding and, often, discouragement and envy. If the authority of parents is no longer accepted, children will swell the ranks of the contestants at school or the university, and become the unconscious victims of troublemakers.

Democracy is a political system which by nature should exalt individual energy; without distinction of origin or class, each man may progress in such a society according to his own talent and willpower; each man is free to create enterprises of his own choice thanks to his skill and his work; but, alas, too many people discredit democracy by using it for their own ends, distort it by refusing the most elementary co-operation it requires of them, and make government impossible and odious through the abuse of contestation and the recourse to violence.

If all those who occupy a commanding position in business, in the church pulpit or in the classroom, in the political world or in the intermediary bodies, in such influential media as the press, radio and television were to agree to give their proper rank in the hierarchy of values to the spirit of work and thrift, the cult of competence, the sense of authority and responsibility, the respect for morality, democracy would be renewed by achieving what Eymieu, the philosopher, expressed so well when he said: "it is better to destroy one's defects by endeavouring to bring one's life to full bloom than to reduce one's whole life to the task of destroying one's defects."

ADDRESS OF THE PRESIDENT



E. D. GRAY-DONALD

The financial results of the past year indicate that in spite of the very high interest rates we have had to pay in order to attract new deposits, we have succeeded in increasing our net profits, and have been able to declare a modest increase in dividend.

Probably the most widely discussed matter in Canada recently has been the White Paper "Proposals for Tax Reform" presented by the Hon. The Minister of Finance, Mr. Benson. The impact of this White Paper on the people of Canada is being debated hotly throughout the country. The principle of a tax on realized capital gains can probably not be too strongly objected to, provided that it is applied equitably and with a minimum of red tape. However, a reading of the White Paper raises many questions and provides few answers. At the present time the proposals appear far from simple, and a great deal of clarification is needed. Of course one must realize that this White Paper only enunciates government policy, and much discussion will precede the enactment of resulting legislation. According to the Press the Minister of Finance has admitted that certain proposals are not feasible, but to what extent changes will be made only time will tell. Let us hope that common sense will prevail.

Our greatest danger at the moment is runaway inflation, and there appears to be little if anything in the White Paper that would contribute to the solution of this problem. Moreover, if nothing is done in the meantime, by the time the proposed legislation gets through Parliament inflation will be completely beyond control.

I would like to stress one point that seems to have slipped into the background. It is that the tax-payer, whether he be an individual or a corporation, is interested primarily in the total tax that must be paid, and he is not too interested in how this is distributed between federal, provincial or municipal authorities. To say that the federal tax levied in Canada is less than in other countries is only to touch the fringes of the problem. It is essential that there be eventually some co-ordination between taxing authorities so that all Canadians be taxed equitably and on the same basis no matter where they live. I consider this as one of the most important problems to be solved in the future, and the sooner the better. The White Paper recognizes this problem of total tax, but it offers no practical solution.

In the meantime we shall continue to carry out our function as a safe place for people to deposit their savings. Thrift may temporarily lose its popularity, but it still remains the foundation of our economy.

In closing I would like to express, on behalf of my colleagues and myself, our sincere appreciation of the devoted efforts of our management and staff during the past year.

REMARKS OF THE GENERAL MANAGER



F. X. GUÉRARD

You have now received the One Hundred and Twenty-Third Annual Report of The Montreal City and District Savings Bank comprising the Statement of Assets and Liabilities, the Statement of Revenues, Expenses and Undivided Profits and the Statement of Accumulated Appropriations for Losses. The Auditors' report has also been submitted to you.

STATEMENT OF ASSETS AND LIABILITIES

On October 31, 1969, the total assets of the Bank reached a record high of \$538,686,518, which compared with \$483,452,234 on October 31, 1968, represents an increase of \$55,234,284 or 11.4%.

Cash resources, comprising deposits with the Bank of Canada and other Banks amounted to \$62,363,138 representing 12.3% of the Bank's deposit liabilities.

Investments in securities stood at \$157,848,117 or \$13,835,053 more than the total at the previous year end.

Consequently, quick assets reached \$220,211,255 or 43.4% of deposit liabilities.

Loans on mortgages at \$270,238,017 were up \$34,519,822 from \$235,718,195 a year ago.

By adding to said increase the total of repayments, \$37 million, we find that new loans on mortgages were granted in the amount of \$71.5 million.

While other financial institutions experienced a shortage of mortgage money, the Bank kept channelling its customers' savings into the financing of new residential buildings in the district of Montreal.

We are proud to be able to make ownership of residential real estate more easily accessible to the public and to help maintain employment for construction workers; our customers should find satisfaction in the fact that their



Mr. G. Lavigne, Branch Manager, explains to his clients the terms and conditions of the Mortgage Loans.

savings, while producing a reasonable income are put to work for the well being of the individual and of the family.

Loans secured by collateral securities totalled \$11,046,631. a decrease of \$4,268,094. while unsecured loans increased by \$6,702,986. for a total of \$24,466,453.

During the financial year, deposits by the public increased by \$55,225,190. or 12.3% to reach a peak of \$504,644,437. This is the largest increase in any one year in the history of the Bank.

REVENUE, EXPENSES AND UNDIVIDED PROFITS

Income from loans, from securities and from other sources for the year ended October 31, 1969, reached

\$35,773,770., \$5,893,429. more than the previous year. Expenses, comprising interest paid on deposits, salaries and staff benefits, property expenses, depreciation and all other expenses show an increase of \$5,876,156. total-ling \$30,669,693., leaving a balance of revenue of \$5,104,077.

After deducting from this sum an appropriation for losses in the amount of \$1,367,000. and a provision for Income taxes of \$1,545,771. there remains a balance of profits for the year of \$2,191,306. which compared to the bal-ance of profits for the previous year represents an increase of \$162,783. or 8%.

Earnings per share at \$1.10 compare with \$1.01 for the previous year.

Dividends totalling \$0.60 per share were paid during the year: one quarterly dividend of \$0.13 and three of \$0.15, plus an extra of \$0.02 per share. After payment of divi-dends amounting to \$1,200,000. there remained a profit of \$991,306. which, added to \$260,414. brought forward, gave a total of \$1,251,720. from which \$1,000,000. was transferred to Rest Account, leaving \$251,720. as Un-divided Profits.

The Rest Account now stands at \$17,500,000. compared with \$16,500,000. last year.

ACCUMULATED APPROPRIATIONS FOR LOSSES

Accumulated Appropriations for Losses stood at \$11,454,879. at the beginning of the year. After a transfer from current earnings of \$1,367,000., provisions to bring loans and investments at market value, and pro-visions for Income taxes, said Accumulated Appropria-tions for Losses decreased by \$2,998,417. and now stand at \$8,456,462.



By taking advantage of our Personal Loans, dreams will become a reality for many of our clients.



A new bullet proof safety device protects this Savings Department teller.

EXPANSION OF THE BANK

In the past year, the Bank opened its seventy-eighth branch. It is located in City of St. Léonard at the corner of Lacordaire and Bélanger Streets.

Three existing branches were enlarged in order to provide better service to their increasing clientele. They are located respectively at 4790 Van Horne Avenue in Montreal, 3870 Notre-Dame Boulevard in Laval and 5479 Westminster Avenue in Côte St. Luc.

Several pieces of land were purchased as sites for new banking quarters and the construction of at least three new branches in the suburbs of Montreal is planned for the coming year.

The installation of an On-Line data processing system was started successfully during the past year.

On October 31, 1969, this electronic system was operating in 4 branches including the new one located at the corner of Lacordaire and Bélanger Streets.

During the coming year, we plan to add approximately fifteen branches to this network of telecommunication, in order to provide up-to-date banking for our customers. Of course, branches opening during 1970 will be equipped with the On-Line data processing system.

Eventually all branches will be integrated into the network and the Bank will have at its disposition the facilities of a system in keeping with to-day's technological advances.

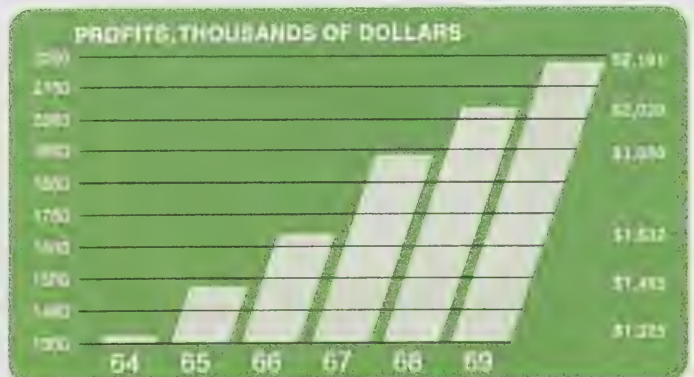
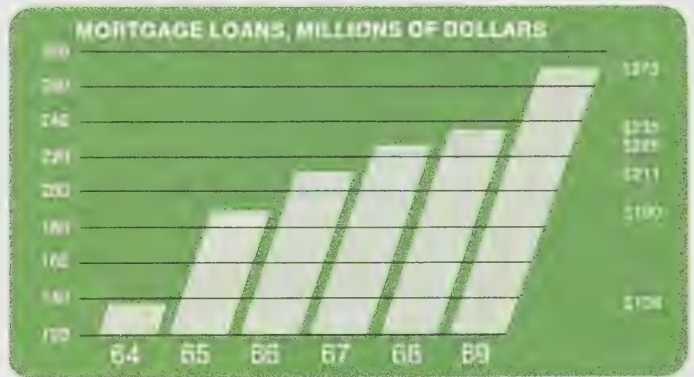
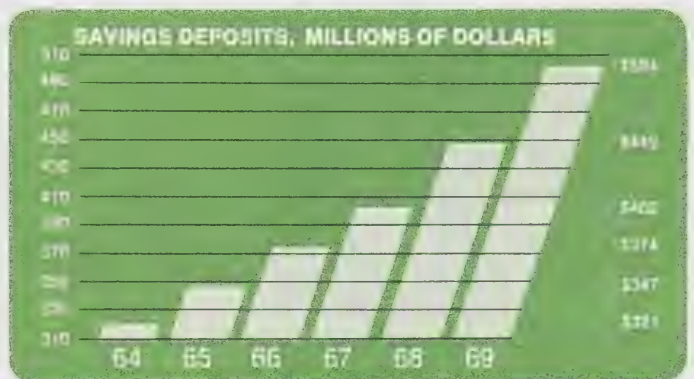
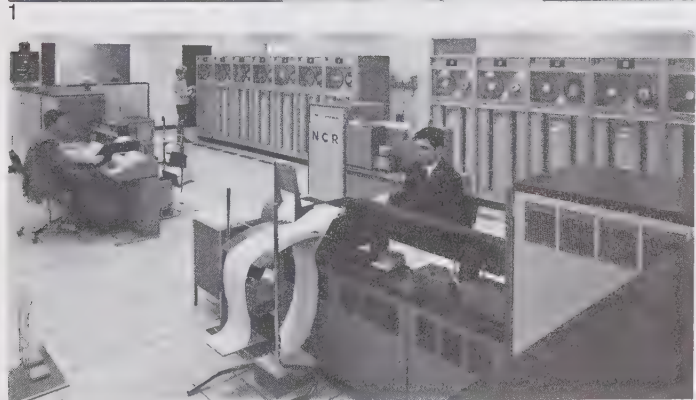
On behalf of the Management, I take this opportunity of thanking the Board of Directors for its continued and generous support and all the members of the staff for their sustained efforts, their devotion and their loyalty.

The installation of the NCR On-Line data processing system was started during the past year.

1 — General Manager F. X. Guérard signing contract with Company representative.

2 — Dorval Data Center.

3 — Branch teller's console.



STATEMENT OF ASSETS AND LIABILITIES

as at October 31, 1969

ASSETS

	1969	1968
Gold and coin	\$ 365,080	\$ 396,346
Notes of and deposits with Bank of Canada and deposits with chartered banks in Canadian currency	26,437,972	29,584,881
Other bank notes and deposits with banks in currencies other than Canadian	1,491,447	7,335,476
Cheques and other items in transit, net	34,068,639	21,211,211
Securities issued or guaranteed by Canada, at amortized value	34,859,634	34,798,699
Securities issued or guaranteed by a province, at amortized value	46,086,197	45,868,651
Securities issued or guaranteed by a municipal or school corporation in Canada, not exceeding market value	30,141,803	27,254,294
Securities and shares of other Canadian issuers, not exceeding market value	46,760,483	36,091,420
Mortgages and hypothecs insured under the National Housing Act, 1954	6,662,651	7,099,381
Other mortgages and hypothecs, less provision for losses	263,575,366	228,618,814
Loans otherwise secured, less provision for losses	11,046,631	15,314,725
Loans without security, less provision for losses	24,466,453	17,763,467
Poor Fund or Charity Fund investments	180,000	180,000
Bank premises at cost, less amounts written off	10,910,795	10,321,068
Other assets	1,633,367	1,613,801
	\$538,686,518	\$483,452,234

LIABILITIES

Deposits by Government of Canada, in Canadian currency

1969
\$ 2,287,451

1968
\$ 609,369

Other deposits in Canadian currency

504,436,050

449,089,389

Deposits in currencies other than Canadian

208,387

329,858

Poor Fund or Charity Fund Trust

180,000

180,000

Other liabilities

3,366,448

3,028,325

Accumulated appropriations for losses

8,456,462

11,454,879

Capital:

Authorized — 3,000,000 shares of a par value of
\$1.00 each: \$3,000,000

Paid-up — 2,000,000 shares issued and fully paid

2,000,000

2,000,000

Rest account

17,500,000

16,500,000

Undivided profits

251,720

260,414

\$538,686,510

\$483,452,234

E. Donald Gray-Donald
President

François Xavier Guérard
General Manager

Auditors' report to the Shareholders

We have examined the statement of assets and liabilities of The Montreal City and District Savings Bank as at October 31, 1969 and the statements of revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the financial year ended on that date. We have compared them with the books and accounts at Head Office and with the certified returns from the branches. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Bank as at October 31, 1969 and its revenue, expenses, undivided profits, accumulated appropriations for losses and its rest account for the financial year ended on that date.

Auditors:

JEAN VALIQUETTE, C.A. of Maheu, Noël, Anderson, Valiquette & Associés.
WILLIAM A. SHANNON, C.A. of P. C. Shannon Son & Co.
Montreal, November 21, 1969

STATEMENT OF REVENUE, EXPENSES AND UNDIVIDED PROFITS

for the financial year ended
October 31, 1969

REVENUE:

Income from loans
Income from securities
Other operating revenue
Total revenue

1969	1968
\$ 21,862,320	\$ 18,694,329
9,734,105	6,928,856
4,177,345	4,257,156
35,773,770	29,880,341

EXPENSES:

Interest on deposits
Salaries, pension contributions and other staff benefits
Property expenses, including depreciation
Other operating expenses, including provision for losses
on loans based on five-year average loss experience

19,364,549	13,796,810
7,321,346	7,122,348
1,875,320	1,805,252
2,108,478	2,069,127

Total expenses

30,669,693	24,793,537
------------	------------

Balance of revenue

5,104,077	5,086,804
-----------	-----------

Appropriation for losses

1,367,000	1,619,000
-----------	-----------

Balance of profits before income taxes

3,737,077	3,467,804
-----------	-----------

Provision for income taxes relating thereto

1,545,771	1,439,281
-----------	-----------

Balance of profits for the year

2,191,306	2,028,523
-----------	-----------

Dividends

1,200,000	1,060,000
-----------	-----------

Amount carried forward

991,306	968,523
---------	---------

UNDIVIDED PROFITS:

Balance at beginning of year

260,414	291,891
---------	---------

1,251,720	1,260,414
-----------	-----------

Transferred to Rest account

1,000,000	1,000,000
-----------	-----------

Balance at end of year

\$ 251,720	\$ 260,414
------------	------------

STATEMENT OF ACCUMULATED APPROPRIATIONS FOR LOSSES

for the financial year ended
October 31, 1969

Accumulated appropriations at beginning of year:

General

Tax-paid

Add:

Appropriation from current year's operations

Loss experience on loans less provision included in other
operating expenses (net credit)

Other profits, losses and non-recurring items, net

Deduct:

Profits and losses on securities, including provisions to reduce
securities other than those of Canada and a province
to values not exceeding market

Provision for income taxes

Accumulated appropriations at end of year:

General

Tax-paid

STATEMENT OF REST ACCOUNT

Balance at beginning of year

Transferred from undivided profits

Balance at end of year

	1969	1968
	\$ 8,490,753	\$ 9,371,949
	2,964,126	2,083,503
	11,454,879	11,455,452
	1,367,000	1,619,000
	210,614	175,516
	267,587	18,943
	13,300,080	13,268,911
	4,057,494	565,946
	786,124	1,248,086
	4,843,618	1,814,032
	8,456,462	\$ 11,454,879
	5,741,490	8,490,753
	2,714,972	2,964,126
	8,456,462	\$ 11,454,879
	16,500,000	\$ 15,500,000
	1,000,000	1,000,000
	\$ 17,500,000	\$ 16,500,000

PROCEEDINGS OF THE MEETING

Minutes of the One Hundred and Twenty Third Annual General Meeting of the Shareholders.

The One Hundred and Twenty Third Annual General Meeting of the Shareholders was held at the Head Office of the Bank on Tuesday, January 20, 1970, at noon.

Among those present were: Messrs. Claude Allaire, Albert Archambault, Adrien Audet, Ubalde Baudry, Henri Beaulieu, Georges Bérichon, Miss Mireille Beullac, Messrs. Henri Bourgeault, Jacques Bourgeois, John G. Bourne, Roland Breton, Miss Freida E. Briddon, Messrs. Roland Brien, Fabien Brin, Paul Brossard, René Brossard, Ted Brown, Gilles Brunel, Gilbert Carroll, F. Douglas Chapman, Georges Chaussé, Desmond A. Clarke, John N. Cole, Lionel Collin, Charles Edouard David, John J. Davis, Olivier Décary, Roméo Delfausse, René Delisle, Jules Derome, Yves Desrochers, Georges Dorion, Paul Dubuc, Jules Dumais, J. Hervé Dupuis, Jacques Ethier, Luc Favreau, Vianney Favreau, Mrs. Ethel Finkelstein, Messrs. Jean Paul Fluét, Charles E. Fortier, Antonio Frigon, Zénon Galarneau, Philippe Gannes, J. A. Fortunat Gaudreau, Rosario Genest, Q.C., Mrs. Noreen George, Messrs. Jean Louis Gervais, C. L. Ogden Glass, Hon. Léon-M. Gouin, Q.C., Messrs. Gaston Gratton, E. Donald Gray-Donald, F. X. Guérard, Mrs. Frances Gulliksen, Messrs. John David Hackett, Archibald Harshaw, Réal Héту, Marc Jarry, Yvon Jasmin, Q.C., Mrs. Yolande D. Jean, Messrs. Jacques Julien, Austin Kennedy, Mrs. Joseph Lagacé, Mrs. Rachel D. Lagacé, Messrs. Jean C. Lallemand, Paul Lambert, Gérard Lapierre, Jean Paul Larue, Hon. Judge Jean Paul Lavallée, Messrs. Roger Lavoie, J. Arthur Leboeuf, Michel D. Lecours, Hugues Ledoux, Rodolphe Legault, J. Rodolphe Lemire, Mostyn Lewis, Armand Lortie, Mrs. E. Beatrice Loucks, Mr. G. Ross Loucks, Mrs. Janet Macklem, Messrs. O. Richard Macklem, Bernard J. Maître, Jacques Martin, Léon Martin, Raymond Matte, Lambert Mayer, Charles Moquin, J. E. Nadeau, Albert Naud, André Normandeau, Arthur Ostiguy, Jean Hugues Ostiguy, Miss Monique Painchaud, Messrs. Jacques Parent, Jean Louis Parent, Alphonse L. Patenaude, Miss Mary W. Phelan, Messrs. Vincent Pietracupa, W. J. Piper, Mrs. Elaine C. Power, Mr. Edgar T.

Reynolds, Mrs. Mary Louise Reynolds, Messrs. Harold S. Roche, René Saint-Cyr, Jean St-Jean, Miss Pauline Sauvé, Messrs. Guy R. Sauviat, Léo Scharry, Miss Gabrielle Sénécal, Miss Irène Sénécal, Messrs. Gaston Shanks, Jacques Thibodeau, Miss Madeleine Thibodeau, Messrs. Marcel Turmel, Anatole Vanier, Q.C., Guy Vanier, Q.C., and Charles Viau.

On motion by Mr. E. Donald Gray-Donald, seconded by Hon. Léon-M. Gouin, Q.C., Mr. Guy Vanier, Q.C., took the Chair.

The Chairman appointed Mr. Austin Kennedy to act as Secretary of the Meeting and asked Messrs. Yvon Jasmin, Q.C., and John David Hackett to act as Scrutineers.

The notice calling the Meeting, having been read by the Secretary and found satisfactory, the Chairman declared the Meeting regularly called and held.

On motion by Mr. Marc Jarry, seconded by Mr. John G. Bourne, the minutes of the last Annual Meeting were taken as read and unanimously confirmed.

The Annual Report of the Board of Directors was read by the Chairman.

REPORT OF THE BOARD OF DIRECTORS

Montreal, January 20, 1970.

To the Shareholders,

Your Directors have pleasure in presenting in brief the One Hundred and Twenty Third Annual Report of the Bank covering its operations for the financial year ended October 31, 1969.

Net profits	\$ 2,191,306
Dividends to shareholders	\$ 1,200,000
Amount carried forward	\$ 991,306
Undivided Profits at beginning of year	\$ 260,414
	\$ 1,251,720
Transferred to Rest Account	\$ 1,000,000
Balance of Undivided Profits at end of year	\$ 251,720



Views of some of the shareholders attending the 123rd Annual General Meeting.

STATEMENT OF REST ACCOUNT

Balance at beginning of year	\$16,500,000
Transferred from Undivided Profits	<u>\$ 1,000,000</u>
Balance at end of year	\$17,500,000

The Secretary then read the Auditors' report.

The scrutineers reported that 74,159 shares were present and 1,164,647 were represented by proxy at the meeting, for a total of 1,238,806 shares, or 61.9% of the capital stock.

It was then moved by Mr. Guy Vanier, Q.C., seconded by Mr. E. Donald Gray-Donald, that the Annual Statement and Reports be adopted. The motion was carried unanimously.

On motion by Mr. Jules Derome, seconded by Miss Freida E. Briddon, it was unanimously resolved that Messrs. Jean Valiquette, C.A., and William A. Shannon, C.A., be appointed Auditors for the ensuing year and that their remuneration be set at a total amount of \$23,000.00 to be divided between them according to the time devoted by each to the affairs of the Bank.

Mr. F. Douglas Chapman moved, seconded by Mr. Vianney Favreau, that the following gentlemen be nominated as Directors for the ensuing year and that the Secretary cast one ballot, that sole ballot to be considered as the unanimous vote of the meeting.

Mr. John G. Bourne
 Mr. Desmond A. Clarke
 Mr. C. L. Ogden Glass
 Hon. Léon-M. Gouin, Q.C.
 Mr. E. Donald Gray-Donald
 Mr. Marc Jarry
 Mr. Jean C. Lallemant
 Mr. Mostyn Lewis
 Mr. Robert R. McLernon
 Mr. Guy Vanier, Q.C.

There being no further nominations, the Chairman then declared the nominations closed, and the above resolution was unanimously adopted.

The scrutineers reported that the above nominated gentlemen had received the unanimous vote of the Shareholders present at the meeting, and the Chairman declared them elected as Directors of the Bank for the ensuing year.

Mr. Paul Lambert drew the Directors' attention to the fact that a number of financial institutions consider it more profitable to invest a large part of their funds in real estate instead of mortgage loans. He suggested that they study this matter which, in his opinion, would probably enable the Bank to increase its revenues.

Mr. Ubalde Baudry wanted to know why the Poor Fund has remained unchanged in spite of the tremendous progress achieved by the Bank throughout the years. The Chairman explained that the Fund represents the surplus available at the time when the Bank, almost a hundred years ago, was constituted in its present form through a special Act of the Parliament of Canada. He added that the income from this Fund is but a modest part of the sums the Bank donates each year for charitable purposes.

Mr. Guy R. Sauviat moved the adoption of the following resolution:

"That the thanks of the meeting are hereby tendered to the Chairman, the President and other Directors, the General Manager, other Officers of the Bank and all the members of the Staff for the splendid success achieved during the last financial period and for their careful attention to the interests of the Bank."

This resolution was seconded by Mr. Gilbert Carroll and carried with applause.

The meeting was then adjourned.

At a meeting of the Board of Directors, held immediately after the shareholders' meeting, Mr. Guy Vanier, Q.C., was elected Chairman of the Board, Mr. E. Donald Gray-Donald was elected President of the Bank, and Hon. Léon-M. Gouin, Q.C., was elected Vice-President.

... ..



Interior views of branches enlarged during the past year: 4790 Van Horne Avenue, Montreal; 3870 Notre-Dame Boulevard, Laval; 5479 Westminister Avenue, Côte St. Luc

FOREIGN AGENTS

City of Laval

750 Montrose Street
3870 Notre Dame Blvd.
4640 Samson Blvd.

Paul Richer
Jean Paul Trépanier
André Joly

Côte St. Luc

5479 Westminster Avenue

Lucien St-Pierre

Dorval

325 Dorval Avenue

Morgan McCarthy

Longueuil

4 St. Charles Street East

Jean Mercure

Montreal North

4135 Amiens Street
5501 Henri Bourassa Blvd. East

René Laverdière
Roger Majeau

Roxboro

10451 Gouin Blvd. West

Aimé Cuillerier

St. Lambert

400 Victoria Avenue

Oswald Ashton

St. Laurent

865 Décarie Blvd.
445 Laurentian Blvd.
1430 Poirier Street

Yvon Labrecque
Maurice Beaudry
Réal Toupin

St. Léonard

5900 Bélanger Street East
5355 Jean Talon Street East

Denis Lavigne
Roger Pageau

Verdun

5501 Verdun Avenue
4214 Wellington Street

Fernand Perrault
Lucien Desmarais

Ville d'Anjou

6651 Joseph Renaud Blvd.

Gilles Lavigne

Ville LaSalle

8787 Newman Blvd.

Joseph Denino

Westmount

4848 Sherbrooke Street West

Charles Bilodeau

New York, United States

Bank of Montreal
First National City Bank
Bankers Trust Company

London, England

Bank of Montreal

Paris, France

Crédit Lyonnais
The Royal Bank of Canada (France)

Naples, Italy

Credito Italiano

Rome, Italy

Banca Nazionale del Lavoro

Athens, Greece

National Bank of Greece

Lisbon, Portugal

Banco Portugues Do Atlantico

Madrid, Spain

Banco Hispano Americano

Tel Aviv, Israel

Bank Leumi Le Israel. B.M.

Zurich, Switzerland

Union Bank of Switzerland

Brussels, Belgium

Société Générale de Banque S.A.

Dusseldorf, Germany

Deutsche Bank

MONTREAL CITY AND DISTRICT TRUSTEES LIMITED*

Founded in 1939.

Head Office: 1253 McGill College Avenue,
Montreal 110.



Board of Directors

Guy Vanier, Q.C.
Chairman of the Board

Marc Jarry
President

Mostyn Lewis
Vice-President

Desmond A. Clarke
Vice-President

John G. Bourne

C.L. Ogden Glass

Hon. Léon-Mercier Gouin, Q.C.

E. Donald Gray-Donald

François Xavier Guérard

Jean C. Lallemant

Robert R. McLernon

* *Montreal City and District Trustees Limited is a wholly owned subsidiary of The Montreal City and District Savings Bank.*

STATEMENT OF INCOME AND EXPENSES AND UNDIVIDED PROFITS

for the ten months ended October 31, 1969

INCOME AND EXPENSES

INCOME

Fees and Commissions	\$ 494,883.21
Income from Investments	832,918.41
	<u>\$ 1,327,801.62</u>

EXPENSES

Interest paid	\$ 558,532.30
Salaries, pension contributions and other staff benefits	400,393.77
Other	166,812.65
	<u>\$ 1,125,738.72</u>

PROFIT FOR THE PERIOD BEFORE INCOME TAXES	<u>\$ 202,062.90</u>
---	----------------------

UNDIVIDED PROFITS

Balance January 1, 1969	\$ 39,913.64
Net Profit for the period before income taxes	202,062.90
	<u>\$ 241,976.54</u>

Less:—

Mortgage Contingency Reserve	\$ 27,326.59
Net loss on securities	35,903.44
Incomes Taxes	<u>59,717.23</u>
	<u>\$ 122,947.26</u>

Dividends Paid	\$ 119,029.28
	<u>40,000.00</u>

BALANCE OCTOBER 31, 1969	<u>\$ 79,029.28</u>
--------------------------	---------------------

MONTREAL CITY AND DISTRICT TRUSTEES LIMITED

BALANCE SHEET as at October 31, 1969

ASSETS

Cash on hand and on deposit	
Secured Demand Loans (Note 3)	
Advances to Estates and Trusts	
Advances to Clients	
Accrued Interest	
Sundry Accounts	
SECURITIES (Notes 1 and 3)	
Bonds at Amortized Cost	
Government of Canada	
Provincial	
Municipal and School	
Other	
Preferred Stocks at Cost	
Real Estate	
Mortgage Loans (Note 3)	
Furniture and Equipment (depreciated cost)	
Total	

ASSETS UNDER ADMINISTRATION

Estates, Trust and Agency Accounts	
Company's and Guaranteed Account	

	\$ 1,412,713.30
	258,491.44
	213,623.19
	703,713.69
	241,503.49
	2,496.10
\$ 250,154.33	
3,357,754.08	
1,124,124.14	
502,063.24	
81,637.50	\$ 5,315,733.29
	50,105.37
	5,312,747.72
	49,732.92
	<u>\$13,560,860.51</u>
	\$72,846,141.65
	13,560,860.51
	<u>\$86,407,002.16</u>

Approved on behalf of the Board,
MARC JARRY, President.
HECTOR BALLARD, General Manager.

Auditors' Report

We have examined the balance sheet of Montreal City and District Trustees Limited as at October 31, 1969 and the statements of income and expenses and undivided profits for the ten months ended at that date. We have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

As at October 31, 1969 we have verified the cash and securities of the Company and of the guaranteed accounts. During the financial period we have verified these same securities and those held in safekeeping and those held for trust accounts administered by the Company. The securities and funds of the Company are kept separate from those held in safekeeping, in trust or against loans and advances and are earmarked in the books so as to show to which account they belong.

In our opinion, according to the best of our information and the explanations given to us and as shown by the books of the Company, these financial statements present fairly the financial position of the Company as at October 31, 1969 and the results of its operations for the ten months ended at that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Auditors:

JEAN VALIQUETTE, C.A. of Maheu, Noël, Anderson, Valiquette & Associés.
WILLIAM A. SHANNON, C.A. of P. C. Shannon Son & Co.
Montreal, November 21, 1969

LIABILITIES

Provision for Taxes	\$ 16,938.49
Other Liabilities	147,542.31
Guaranteed Deposits (Note 4)	2,375,461.11
Guaranteed Investment Certificates (Note 4)	9,118,869.00
Reserve on Securities	400,000.00
Reserve for Mortgage Contingency	73,020.32

SHAREHOLDERS' EQUITY

Capital Stock	
Authorized 10,000 shares of \$100.00 Par value each	
Issued and Fully Paid	
3,750 Shares (Note 2)	\$ 375,000.00
Contributed surplus (Note 2)	375,000.00
Reserve Fund	600,000.00
Undivided profits	<u>79,029.28</u> <u>\$ 1,429,029.28</u>
Total	<u>\$13,560,860.51</u>

NOTES: —

- (1) Government of Canada and provincial bonds at amortized cost and all other securities at market value amount to \$5,067,300.91.
- (2) 1,250 shares of capital stock were issued in 1969 for a total consideration of \$500,000.00. The Montreal City and District Savings Bank owns all the issued capital stock of Montreal City and District Trustees Limited which is carried in the books of the bank at \$750,000.00.
- (3) Maturities of investments of the guaranteed deposits and guaranteed investment certificates are as follows:
57% within 3 years;
27% between 3 and 5 years;
16% after 5 years

- (4) Maturities of guaranteed deposits and guaranteed investment certificates are as follows:
54% within one year;
16% between 1 and 2 years;
15% between 2 and 3 years;
8% between 3 and 4 years;
7% between 4 and 5 years.

MONTREAL CITY AND DISTRICT TRUSTEES LTD.

EXECUTIVE OFFICERS

Marc Jarry,
President

Hector Ballard,
General Manager

J. Noé Delorme,
Secretary

DEPARTMENTS

Settlement of Estates

Estate Planning

Administration of Estates and Trusts

Management and Safekeeping of Securities
and: Retirement Savings Plans
Transfer Agent and Registrar
Trustee for Pension Plans
Trustee for Bond Issues

Real Estate
Administration
Sale and Purchase
Mortgage Loans

Guaranteed Investment Certificates

Preparation of Income Tax Returns

OFFICERS

Jean Louis Durand

Julien Lambert

Laurier Levac

Maurice Fortier

Claude Mathieu

Lionel Malo

Guy Lalonde
